

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2000-957

December 6, 2000

PINE TREE TELEPHONE COMPANY  
Request for Approval under § 707 of Affiliated  
Interest Transaction and For  
Authorization of Security Agreement

ORDER APPROVING  
AFFILIATED INTEREST  
TRANSACTION AND RELATED  
SECURITY AGREEMENT

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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## SUMMARY

On November 29, 2000, Pine Tree Telephone & Telegraph Company (Pine Tree or the Company) filed an Application for Approval, pursuant to 35-A M.R.S.A. § 707, of a guarantee of certain obligations of an affiliated interest and, pursuant to 35-A M.R.S.A. § 1101, of a related security agreement and mortgage. In this Order we grant the Company's request.

## DESCRIPTION

By Order dated January 11, 2000, in Pine Tree Telephone Company, Request for Approval of Affiliated Interest Transaction and For Authorization of Security Agreement, Docket No. 99-929, Order Approving Affiliated Interest Transaction and Related Security Agreement, the Commission granted approval (under 35-A M.R.S.A. §707) of Pine Tree's guarantee of a loan from CoBank to PTW Acquisition Corp. ("PTW") and (under 35-A M.R.S.A. § 1101) a related security agreement and mortgage. The name of PTW was subsequently changed to Country Road Communications, Inc. ("CRC"). CRC and CoBank have agreed to the assignment of the loan to Pine Tree Holdings, Inc., a newly created subsidiary of CRC, which will be the intermediate holding company for Pine Tree. The creation of Pine Tree Holdings was approved by the Commission in Pine Tree Telephone Company, Request for Approval of Reorganization, Docket No. 2000-667, Order Approving Reorganization (Nov. 8, 2000). As before, Pine Tree will continue to be a guarantor of the loan, but the guarantee will apply to the obligations of Pine Tree Holdings under the loan, instead of CRC.

Because we have previously approved this guarantee and mortgage arrangement, and the present application merely seeks to transfer the approved guarantee and mortgage from the corporate parent to a newly-created corporate entity that acts as an intermediate holding company of Pine Tree, it is arguable that no additional approval on our part is necessary. Nevertheless, because the Company has sought approval, there is no need for us to make a determination about the need for approval, and we will grant the Company request to the extent that approval is necessary. We have examined the proposed arrangement and believe it may actually

provide additional protection for Pine Tree, because it appears to have the effect of further isolating the Company from the remaining financing activities of Country Road Communications, the ultimate parent of Pine Tree.

### ORDERING PARAGRAPHS

Therefore, we

#### O R D E R

1. That, pursuant to 35-A M.R.S.A. § 707 (3), Pine Tree Telephone & Telegraph Company is authorized to provide a guarantee of a loan by CoBank ACB to Pine Tree Holdings, Inc., an affiliated interest of Pine Tree that owns 100% of the common stock of Pine Tree. The loan guarantee by Pine Tree authorized herein relates to the loan that was originally approved in Docket No. 99-929, and the current approval applies to an assignment of that loan to a different affiliated interest.

2. That pursuant to 35-A M.R.S.A. § 1101, Pine Tree Telephone & Telegraph Co. is authorized to provide a pledge of all of its tangible and intangible assets as collateral for its guarantee of the loan from Cobank to Pine Tree Holdings, Inc.

Dated at Augusta, Maine, this 6<sup>th</sup> day of December, 2000.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
                                                 Nugent  
                                                 Diamond

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.